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BRIEFS AND COMMENTS

ROMANIA-EC: Trade Agreement

*//Romania is planning to negotiate a bilateral trade agreement on industrial products with the EC that would make it the first member of the Council on Mutual Economic Assistance to conclude such a pact. The Romanian plan, which reportedly has irritated Moscow, would put further distance between Romania and its partners in CEMA.//*

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*//Although individual CEMA members have concluded specific sectoral agreements with the EC, Romania's decision to enter into a more comprehensive agreement would be interpreted by the EC as the first step toward a general trade pact with an East European country. The EC, which has been engaged in talks with CEMA since 1975, would prefer to conclude trade pacts with individual CEMA members. The Soviets insist that such bilateral accords should come only after an overall EC-CEMA agreement.//*

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*//The USSR believes Romania would weaken CEMA's negotiating stance toward the EC by concluding the industrial trade agreement. Although the Soviets cannot block such an accord, they could bring pressure to bear on the Romanians for breaking ranks.//*

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*In a possible move to alleviate Soviet displeasure over the planned pact, the Romanian party daily on Sunday highly praised economic ties with Moscow. Foreign Minister Andrei, who arrived in the USSR yesterday on an official visit, will discuss current bilateral economic and political issues.*

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FRANCE: Cruise Missile Guidance

*Chief of the General Staff, General Mery, recently announced that France has decided to develop a mobile missile system to supplement silo-based missiles, which are difficult to protect. Mery said that both mobile ballistic missiles and cruise missiles are under consideration, but France will be able to develop only one of them.*

//French officials are privately expressing interest in "elevation data" of the type needed for the highly accurate guidance system on US cruise missiles. This may reflect a change in policy regarding the accuracy France would require of a long-range cruise missile system if it decided to build one. In past discussions of the possible capabilities of a long-range "strategic" cruise missile, French officials have noted that a highly accurate navigation system would not be needed because "we know where Moscow is."

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#### NORTH KOREA - SOUTH KOREA: Dialogue

South Korea adopted a tougher line in its statement yesterday on reviving the dialogue with North Korea. Seoul called Pyongyang's conditions for talks "unrealistic" and said it is still waiting for a "sincere" response to its proposal of 19 January to resume talks. Seoul is insisting that the discussions be handled strictly on a government-to-government basis; Pyongyang advocates that nongovernmental organizations take the lead. South Korea was careful not to preclude further exchanges, and a fairly lengthy period of public maneuvering seems likely.

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#### USSR: Officials Tour in Middle East

A Soviet Foreign Ministry delegation led by the director of the Ministry's Middle East Department, Oleg Grinyevskiy, is on a trip to North Yemen, Kuwait, and Jordan. The visits probably reflect a Soviet effort to reassure these conservative Arab states of the USSR's intentions in the region and to offer closer ties. Both North Yemen and Kuwait have been concerned by what they regard as a relative strengthening of the Soviet position in the Persian Gulf region in recent months.

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BULGARIA: Zhivkov Trip

A reliable Bulgarian source has told the US Embassy in Sofia that Chairman Zhivkov plans to visit Southeast Asia in March and Latin America in April. The trips were probably planned at the USSR's behest and were doubtless discussed during President Brezhnev's recent visit to Sofia. Zhivkov will emphasize solidarity with Bulgaria's Communist allies and seek to expand ties with nonaligned nations. The Bulgarian leader reportedly will travel to Vietnam and Laos; Kampuchea might be added if conditions permit. This would tend to confirm recent reports that he would soon be doing legwork for the Soviets in Indochina. Bulgaria has emphatically pledged solidarity with the new regime in Phnom Penh and has criticized the normalization in US-Chinese relations. In Latin America, he is expected to visit Cuba, Mexico, and possibly Peru and Venezuela.

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SPECIAL ANALYSIS

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IRAN: Assessment of Key Players

*Prime Minister Bakhtiar's decision to reopen Iran's airports removes a major barrier to Ayatollah Khomeini's return to Iran after 15 years in exile. Khomeini seems intent on returning as soon as possible. The other key players--the military, the Prime Minister, and the secular opposition--are divided on how to respond. They still have some room to maneuver, but the situation is deteriorating rapidly. The danger to US citizens is growing.*

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Khomeini clearly wants to take hold of the situation inside the country and capitalize on his massive popular support.

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Khomeini seems determined not to compromise with the Bakhtiar government. He can still call for an armed struggle and may calculate that the military will be dissuaded from moving against him by the prospect of a civil war as well as by his appeal to the rank and file. At the same time, he may allow his supporters to continue to try to arrange a compromise with some of the senior military officers.

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Judging from their public statements, members of his entourage in Paris appear confused about what course Khomeini should pursue. This confusion is even more evident among the opposition in Iran, which remains badly divided.

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The Opposition

Moderate leaders in the opposition, including Mehdi Bazargan, leader of the Liberation Movement of Iran, are still working to negotiate an accommodation between Khomeini and the Prime Minister.

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The secular leaders of the National Front, including Karim Sanjabi, have not been significantly involved in the recent political maneuvering. Sanjabi is probably concerned that Khomeini's return to Iran will further reduce the Front's flexibility and it will have little role to play. [REDACTED]

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The Communist Tudeh Party continues publicly to support Khomeini and urge united-front tactics. Some of the Tudeh's recent statements nonetheless indicate it is worried that Khomeini and the Islamic opposition will move to suppress the left if they take over. The Tudeh probably hopes for a period of continued instability to give it time to expand its organization inside the country, particularly within the labor force. [REDACTED]

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#### Bakhtiar and the Military

Bakhtiar's decision to open Tehran airport probably reflects his judgment that he cannot tolerate the growing level of violence. Bakhtiar's efforts to win popular support for his position as the defender of the constitution have not produced significant results and his only tangible support remains the military. [REDACTED]

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The Prime Minister is aware of his weakness and will probably continue to try to make a deal. Bakhtiar's goal appears to be a modus vivendi with Khomeini in which Bakhtiar's government remains as a caretaker regime until after a referendum on the future of the government. [REDACTED]

#### Outlook

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The violence of the last few days has poisoned the atmosphere and set back efforts to arrange a compromise. Khomeini remains the key. If he decides to force the issue upon his return and provokes the military, there could be widespread violence and even civil war. If Khomeini is arrested or assassinated, there also would be violence and the threat to Americans would increase. [REDACTED]

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The Iranians have proven adept at averting a decisive confrontation several times already. The principal actors still have some room to maneuver. [REDACTED]

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